

**WHAT AN AD AGENCY CAN DO FOR YOU**

You may ask, why use an advertising agency to help with marketing concerns? What advantages would an advertising agency bring to your company? Here are just a few:

**Experience.** Ad agencies use their marketing expertise and knowledge to bring you the best solutions.

**Options.** Ad agencies provide many marketing services to enhance your company's communications. They offer options, along with advice to help you discover the best path your company should take.

*“Marketing is acting upon a planned strategy that differentiates the strengths of the firm from those of its competitors.”*

**Blueprint for Marketing** by Susan Frost

**Fresh Viewpoint.** Ad agencies offer an outside perspective. It can be difficult to spot your company's problem areas and gaps when you are a part of the internal structure. Many times it requires an external point of view to identify your company's concerns.

**Creativity.** Ad agencies strive to develop new ideas and creative strategies to distinguish your company from your competition.

**AGENCY SERVICES**

The first responsibility of an ad agency is to help you determine which services would most benefit your company. After examining how you've approached advertising in the past (if at all), an agency will provide strategies to more effectively reach your target market. An agency can help you capitalize on your strengths, identify your weaknesses and help you create the strongest image possible.

Whether it is brand development or public relations, both the agency and the client must work together to identify the areas in need of the most attention. Once those needs are determined, the next step is to apply the services offered by the agency. Here are some basic agency services:

**Collateral Materials.** The design and production of brochures, product sheets, stationery, business cards, POP materials and much more.

**Direct Marketing.** An approach which allows your company to reach its audience directly through trade shows, direct mail programs, telemarketing and more.



*“Marketing is the business function that identifies current unfulfilled needs and wants, defines and measures their magnitude, determines which target markets the organization can best serve, and decides on appropriate products, services and programs to serve these markets.”*

Marketing Management by Philip Kotler

**Multimedia.** The production of videos, radio and TV ads, web sites, CD-ROMs, interactive presentations and sales presentation materials.

**Public Relations.** Event planning, communication audits, press releases, editorial placement and sales promotions.

**Media Planning and Buying.** The purchase of airtime for radio and television, and placement of advertising in various publications (trade, local, regional and national).

#### **AGENCY WORKFLOW**

All companies have workflow procedures. Because each client is different, each workflow is different. Ad agencies are continually striving to find more efficient ways of moving projects through the agency, but the process always begins with a mind full of ideas and a strategic mission. The result is a finished piece that is on target and meets your objective.

The following steps show how projects flow through an agency:

1. An account executive (AE) teams with respective representatives from your company to identify goals and marketing needs.
2. After researching your company, the AE combines the gathered information with your ideas and concerns to fully understand your business, including its background, services, products and so on.
3. The AE reports to the agency's departments – which include creative, production, media and public relations – and supplies them with the information they need.
4. Team meetings are held to develop the best plan of action.
5. The AE presents solutions for the client's problem.
6. Once approved, the agency implements the plan. Departments are responsible for executing their portions of the plan.
7. The AE works with the client on different billing methods. The client is billed based on the production costs and agency time.



**BUILDING A RELATIONSHIP WITH YOUR AGENCY**

When your company links itself with an ad agency, the ultimate goal of both the agency and your company is success. The following are building blocks needed to construct a solid relationship with your agency which will lay the groundwork for a successful partnership.

**Develop communication.** Good interpersonal communication skills need to exist between you and your agency. In other words, it is important to clearly understand each other. Remember, you are on the same team, on the same playing field.

**Create a partnership.** Choosing an agency should be done carefully. From the onset the goal is establishing a lasting partnership between your company and your ad agency. Of course, a strong partnership requires trust: each side must trust the other will fulfill expectations and responsibilities.

*“Behind all great advertising is a great client.”*

How To Advertise by Kenneth Roman & Jane Maas

Honesty plays a vital role in establishing strong pathways of communication between the client and the agency. Individuals from both sides must be straightforward. This involves articulating all expectations and responsibilities early in the process to facilitate communication and reduce the chance of conflict in the future.

Communicating with others means more than speaking the right words; listening is a key component, also. Your ad agency must be willing to listen to your input to increase its understanding of you and your business. In addition, your company needs to listen to your ad agency's advice, trusting that the agency speaks from successful experience.

If you don't feel comfortable with your agency's direction, it's best to settle issues from the start. Don't wait until it is too late to alleviate the problem. Choose an agency whose values mirror yours. If you sense conflict, animosity or ethical disagreement that cannot be resolved constructively, it may be best to find a new ad agency. Always remember you are making a long-term commitment for the ultimate good of your company, one that requires good faith and understanding from all parties.



**Welcome change.** Ideas become worn and faded: don't be afraid to move on. Sometimes it is a matter of reshaping an old idea or program, and other times it means adopting a completely new course of action. Keep an open mind. Be unconventional. Try something new.

**Learn from failure.** If a new approach fails, do not be too quick to judge. Some ideas take time to take hold. Give new projects time to develop even if they fail at first. Failure is not a stopping point; learn from it and move on. Keep trying and making adjustments.

**Allow room for creativity.** Creativity helps your marketing communications break through the clutter. To ensure a

*“Creativity can be described as letting go of certainties.”*

Gail Sheehy

productive and successful advertising campaign, the agency needs to be given a certain amount of creative freedom. It's a misconception to think creative ideas suddenly appear out of nowhere: that a brainstorm magically drops in the lap of the creative genius, like a rabbit that is pulled from the magician's black hat with a wave of the magic wand.

Creativity involves more sweat than one would imagine. It takes practice and knowledge of the product or program. Sometimes it requires turning an item upside-down or breaking it apart to find new perspectives. In other words, creativity demands a lot of mental movement, so it is important not to inhibit that movement. If your company places too many restraints on a project, the creative process will suffer.

## AGENCY BILLING PROCEDURES

Each company has different needs, therefore, your agency's billing process should be flexible to accommodate your individual needs. Some agencies offer a retainer fee which is a set monthly fee paid to the agency. Another option allows your company to pay for each project separately according to an estimate. Cost is based on three sources of income: agency time, mark-ups and media commission.

**Agency Time.** This can be based on hourly charges which compensate for time spent on planning, account service, concepting ideas, art direction, design, copywriting, public relations, market research and production.

**Mark-ups.** Agencies may add a percentage to products and services that are purchased for the client. This is considered a fee paid to the agency for the service of supervising and purchasing the production of the job. The agency also accepts responsibility for making sure the job is completed to exact specifications.



**Media Commission.** Client is charged a gross cost while the agency pays a net amount. This, in turn, gives a 15 percent commission charge on all media placed from the agency.

Both your company and your agency should decide the most appropriate method of payment. Each client is unique, each agency is unique, each project is unique; therefore, not one formula works for everyone.

## EVALUATION

There is always room for improvement. To ensure your agency offers you the best service, it is important for them to realize potential problems within the agency and how they met (or failed to fulfill) your expectations. An analysis of how the agency handles certain projects will help the agency overcome any weaknesses. And if your agency does an outstanding job on a project, they deserve your praise.

The method of evaluation is something you and your agency will have to decide. You may wish to review your agency's work annually or biannually. Some agencies provide means of evaluation to the client. Whatever you decide, work with your agency in the evaluation process.

Providing constructive criticism will help preserve good communication and solidify the marketing partnership you have established with your agency.

